

SCHEME OF ARRANGEMENT

(UNDER SECTIONS 230 TO 232 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AND RULES THEREUNDER)

BETWEEN

VINAY CEMENT LIMITED

AND

DALMIA CEMENT (NORTH EAST) LIMITED

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS



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(CHAIRMAN'S INITIAL)

A. PREAMBLE

This Scheme of Arrangement is presented pursuant to the provisions of Sections 230 to 232 and other relevant provisions of the 2013 Act (*defined in Part I below*), as may be applicable, and in compliance with Section 2(19AA) of the Income Tax Act, 1961 amongst Vinay Cement Limited (“VCL”) and Dalmia Cement (North East) Limited (“**Dalmia North East**”) for Demerger (*defined in Part I below*) of Demerged Undertaking (*defined in Part I below*) from VCL to Dalmia North East.

B. BACKGROUND OF THE COMPANIES

1. Dalmia Cement (North East) Limited (“Dalmia North East”)

- (a) Dalmia North East (CIN:U26942AS2004PLC007538) (PAN: AACCC5142) is an unlisted public company limited by shares incorporated on 20th September, 2004 under the provisions of the 1956 Act (*defined in Part I below*). The registered office of Dalmia North East is situated at 3rd & 4th Floor, Anil Plaza-II, ABC, G.S. Road, Kamrup, Guwahati, Assam-781005.
- (b) Dalmia North East is engaged in the business of manufacturing and selling of cement and clinker.
- (c) Dalmia North East is a subsidiary of Dalmia Cement (Bharat) Limited (“DCBL”) wherein DCBL holds 92.83% of equity share capital.

2. Vinay Cement Limited (“VCL”)

- (a) VCL (CIN: U26942AS1986PLC002553) (PAN: AABCV1410F) is an unlisted public company limited by shares incorporated on 9th July, 1986 under the provisions of the 1956 Act. The registered office of VCL is situated at Jamuna Nagar, Umrangshu Dist: North Cachar Hills, Assam 788931.
- (b) VCL business includes, inter alia, manufacturing and selling of crushed limestone; extract, process, treat, alter or otherwise deal with minerals of all kinds; carry on business of prospecting of mineral deposits and obtaining certificates of approval, prospecting licences and mining leases; and design, develop, produce, and otherwise deal in, and provide services in relation to, all kinds of cement and other kinds of mineral products.
- (c) VCL is a subsidiary of Dalmia North East wherein Dalmia North East holds 97.21% of equity share capital.

3. Dalmia North East and VCL are collectively referred to as the “Companies”

C. RATIONALE

1. The objective of the Scheme is to transfer the Demerged Undertaking of VCL which is related to the core business of manufacturing and selling of cement and clinker of its holding company,



Dalmia North East. The Scheme is proposed with a view, inter alia, to achieve the following benefits:

- (a) The Scheme will result in pooling of existing resources of VCL having expertise in the cement and mining related operations with Dalmia North East leading to a centralized and more efficient management of funds, greater economies of scale and a bigger and stronger resource base for future growth of the group's cement business.
 - (b) The Scheme will drive synergies resulting in benefits of cost optimization and cost reduction by bringing similar lines of business under same roof and facilitating focused growth thereof. The Scheme will aid Dalmia North East in sharpening its competitiveness through cost saving.
 - (c) The Scheme will enable Dalmia North East to reduce cost of production through backward integration of supply chains i.e. use of limestone mines leased to VCL.
 - (d) The Scheme will result in rationalization of operations with greater degree of operational efficiency and optimum utilization of various resources.
 - (e) The Scheme will facilitate group's vision of consolidating cement business operations.
 - (f) The Demerger will enable both VCL and Dalmia North East to achieve and fulfil their objectives more efficiently and offer opportunities to the management of both the Companies (defined in Part I below) to pursue growth and expansion opportunity.
 - (g) This Scheme, as envisaged, is in the best interests of the shareholders, employees, creditors and other stakeholders of the Companies by pursuing a focused business approach under Dalmia North East, thereby resulting in overall maximization of value creation of all the stakeholders involved.
2. The respective Board of Directors (*defined in Part I below*) of Dalmia North East and VCL, at their respective meetings held on 19th March, 2024 have approved the Demerger (as defined in Part I Below) as provided in this Scheme hereinafter.

D. GENERAL

1. This Scheme is divided into the following parts:
 - (a) **Part I** provides for the definitions and interpretations;
 - (b) **Part II** gives the capital structure of VCL & Dalmia North East;
 - (c) **Part III** provides for transfer and vesting of Demerged Undertaking of VCL as a going concern, to Dalmia North East by way of Demerger, Accounting Treatment, Consideration and other matters incidental thereto;
 - (d) **Part IV** deals with other general terms and conditions as applicable to the Scheme.



PART I – DEFINITIONS AND INTERPRETATIONS

1. DEFINITIONS AND INTERPRETATIONS

- 1.1. In this Scheme, unless repugnant to the meaning or context thereof, the following terms and expressions shall have the meanings as given against them:

“**1956 Act**” means the Companies Act, 1956 and the rules and regulations made thereunder as may be applicable;

“**2013 Act**” means the Companies Act, 2013 and the rules and regulations made thereunder, and includes any alterations, modifications, amendments made thereto from time to time and/or any re-enactment thereof for the time being in force;

“**Applicable Laws**” shall mean any statute, notification, bye-laws, rules, regulations, guidelines, rule of common law, policy, code, directives, ordinance, orders, judgements, decisions or instructions having the force of law enacted or issued by any Appropriate Authority, including any statutory modification or re-enactment thereof for the time being in force in India;

“**Appointed Date**” means 31st March, 2023 or such other date as the Hon’ble NCLT (*as defined below*) may decide/ approve, being the date with effect from which the Scheme shall become operative and / or be deemed to have become operative as stated herein;

“**Appropriate Authority**” means and includes any applicable governmental body (central, state or local Government), legislative body, statutory body, departmental or public body, regulatory or administrative authority Registrar of Companies, Regional Director, agency or commission or any court, tribunal, board, bureau, instrumentality, judicial or arbitral body, Reserve Bank of India, or any other organization to the extent that the rules, regulations and standards, requirements, procedures or orders of such authority, body or other organization have the force of law, including the Central Government, Registrar of Companies (*as defined below*), Hon’ble NCLT, Income Tax authorities and other applicable authorities;

“**Board of Directors**” or “**Board**” in relation to the Companies, as the case may be, means the board of directors of such company, and shall include any committee or sub-committee thereof constituted or appointed and authorised for the purposes of matters pertaining to the Scheme and/or any other matter relating thereto;

“**CIN**” means Corporate Identity Number issued by the Registrar of Companies;

“**Companies**” shall collectively mean VCL and Dalmia North East;

“**Dalmia North East**” or “**Resulting Company**” means Dalmia Cement (North East) Limited, an unlisted public company limited by shares, having CIN: U26942AS2004PLC007538 and having its registered office at 3rd & 4th Floor, Anil Plaza-II, ABC, G.S. Road, Guwahati, Kamrup, Assam 781005.



“Demerged Undertaking” means the cement and mining business operation of Demerged Company (as defined below) including all related properties, assets, debts, liabilities, duties, obligations, rights, benefits, incentives (including application therefor), exemptions, subsidies, concessions, mining lease, refunds and powers, on a going concern basis, representing an undertaking in compliance with Section 2(19AA) of the Income Tax Act, as on the Appointed Date, which shall be transferred to and vested in the Resulting Company (as defined below) upon Demerger from the Demerged Company in terms of Part III of this Scheme. Without prejudice and limitation to the generality of the above, the Demerged Undertaking means and includes:

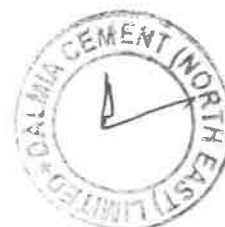
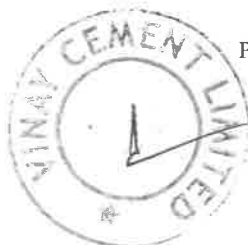
- (i) all assets and movable properties wherever situated whether tangible or intangible, absolute, accrued, fixed or otherwise including property, goodwill and intangible assets, whether or not recorded in the books of Demerged Company (excluding assets pertaining to Remaining Business (as defined below)), plant and machinery, vehicles, offices, work-in-progress, furniture, fixtures, office equipment, appliances, computers (software as well as hardware), accessories, in each case in connection with operating of or relatable to the cement and mining business including but not limited to all permissions, rights (including rights under any contracts, memoranda of understanding, etc.), entitlements, copyrights, patents, trademarks, trade names, domain names and other industrial designs, trade secrets, or intellectual property rights of any nature, and all inventories, stock-in-trade or stock-in-transit and merchandising including raw materials, supplies, finished goods, wrapping supply and packaging items, all statutory licenses, quotas, registrations and /or permissions to carry on the operations of the cement and mining business, and all deposits, advances and/ or moneys paid or received to/ by the cement and mining business, earnest moneys and/or security deposits, cash and bank balances, advances, receivables, loans, securities, investments, post-dated cheques, ECS mandates, direct debit mandates, collection / escrow mechanism or other such payment mechanism, any other financial assets, benefit of any bank guarantees, performance guarantees and letter of credit, leases (including lease rights), rights and obligations under any agreement, customer contracts, hire purchase contracts and assets, lending contracts, receivables and Liabilities related thereto, benefit of any security arrangements or under any guarantees, incentives(if any) in each case in relation to and for the benefit of the cement and mining business, deferred tax benefits, privileges, exemptions, and approvals of whatsoever nature (including but not limited to benefits of tax relief included under the Income Tax Act such as all tax holidays and exemptions, benefits under the value added tax, incentives, exemptions, subsidies, concessions, refunds, benefits of any unutilised CENVAT / service tax credits / GST Input Credit, etc.), all other claims, rights and benefits, power and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, telexes, facsimile connections, email connection, other communication facilities, connections and installations, utilities, electricity and other services, provisions, funds and all other interests in connection with or relating to the cement and mining business.
- (ii) immovable property, both freehold and leasehold and any document of title, rights and easements in relation thereto, if any, together with all that pieces or parcels of freehold and leasehold lands and hereditaments and premises, situated, lying and being thereat together with all the buildings and structures standing thereon relating to the cement and mining

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business as more particularly set out in Schedule II;

- (iii) all the rights and obligations under the contracts / agreements including but not limited to service provider contracts, preferred financing contracts, connector agreements, revenue sharing agreements, leave and license agreements, direct selling agent agreements, non-disclosure agreements, memorandum of understandings, expression of interest letters, vendor agreements, master service agreements, mandate agreements, agreements executed with legal and technical vendors / valuers, framework agreements, collaboration agreements, lease agreements, master license agreements, annual maintenance contracts, agreements, license usage agreements, digital marketing agreements, project marketing agreements, total cost of service agreements, software licensing agreements, introduction agreements, mutual confidential disclosure agreements, sourcing agreements, master lease agreements, escrow agreements, trust retention account agreements, operating lease agreements / contracts, agreement to provide the facility attendants, collection agency agreements, stock yard contracts, online auction agreements, relationship referral agreements, repossession agreements, all the rights and obligations with respect to credit enhancement obligations together with corresponding collateral and interest and surplus received or receivable to meet credit enhancement obligations and all the rights and obligations with respect to collection and payout obligations, in connection with or relatable to the cement and mining business;
- (iv) all deposits and balances with government, semi-government, local and other authorities and bodies, customers and other persons, entitlements to tax and other credits, set offs, carry forward balances, all tax holidays and exemptions, in connection with or relatable to the cement and mining business.
- (v) all legal (whether civil or criminal), taxation or other proceedings or investigations of whatsoever nature (including those before any Appropriate Authority) initiated by or against Demerged Company or proceedings or investigations to which Demerged Company is party to, that pertains to Demerged Undertaking, whether pending/ongoing as on the Appointed Date or which may be instituted any time in the future;
- (vi) all permanent and / or temporary employees, workmen, staff, contract staff of Demerged Company engaged in directly or exclusively for the cement and mining business and those permanent and / or temporary employees that are determined by the Board of Directors of Demerged Company to be engaged in or relatable to the cement and mining business;
- (vii) extension of insurance covers and / or benefits under the existing insurance policies providing insurance cover pertaining to the cement and mining business;
- (viii) all necessary books, records, files, papers, product specification, engineering and process information, records of standard operating procedures, computer programmes along with their licenses, drawings, manuals, data, catalogues, quotations, sales and advertising materials, financing and serving related forms, lists of present and former customers and suppliers, customer credit information, customer pricing information, and other records whether in physical or electronic form in connection with or relating to the cement and



mining business.

- (ix) all Liabilities (including Liabilities, allocable as per this Scheme, if any), present and future, corporate guarantees issued and the contingent liabilities pertaining to or relatable to cement and mining business; Further, provided that amounts of general or multipurpose borrowings, if any, of the Demerged Company will be appointed on the basis of the proportion of the value of assets transferred in the Demerger to the total value of the assets of the Demerged Company as on Appointed Date.

Any question that may arise as to whether a particular asset or Liabilities pertain or do not pertain to the cement and mining business or whether it arises out of the activities or operations of the cement and mining business of the Demerged Company shall be decided by mutual agreement between the Board of Directors of the Demerged Company and Resulting Company.

“Demerger” means transfer and vesting of Demerged Undertaking from the Demerged Company to the Resulting Company, on a going concern basis, under this Scheme in compliance with Section 2(19AA) of the Income Tax Act, as provided in Part III of the Scheme;

“Effective Date” shall mean the last of the dates on which all the conditions and matters as referred to in Clause 20 of the Scheme occur or have been fulfilled or obtained or waived, as applicable, in accordance with this Scheme. References in this Scheme to date of ‘this Scheme becoming effective’ or ‘this Scheme coming into effect’ shall mean the Effective Date;

“Encumbrance” means any options, pledge, mortgage, lien, security, interest, claim, charge, pre-emptive right, easement, limitation, attachment, restraint or any other encumbrance of any kind or nature whatsoever, and the term “Encumbered” shall be construed accordingly;

“Hon’ble NCLT” means the Hon’ble Bench of the National Company Law Tribunal at Guwahati, Assam having jurisdiction over VCL and Dalmia North East and shall include, if applicable, such other forum or authority as may be vested with the powers of National Company Law Tribunal under the Act;

“Income Tax Act” means the Income Tax Act, 1961, including any amendments made therein or statutory modifications or re-enactments thereof for the time being in force and rules, regulations, circulars and notifications issued thereunder, each as amended from time to time and to the extent in force;

“IND AS” means the Indian Accounting Standards prescribed under Section 133 of the 2013 Act and as notified under the Companies (Indian Accounting Standard) Rules, 2015;

“Legal Proceedings” means proceedings of whatsoever nature, civil or criminal, including any notices, disputes, suits, actions, appeals, arbitrations, execution proceedings, revisions, writ petitions, suits and taxation proceedings, pending before any Court, statutory or quasi-judicial authority or tribunal ;

“Liabilities” means all present and future liabilities, whether or not provided in the books of



accounts or disclosed in the balance sheet of VCL pertaining to Demerged Undertaking, including contingent liabilities, deferred tax liabilities, secured and unsecured debts, duties and obligations (including under any licenses or permits or schemes) of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilised for its business activities and operations along with any charge, Encumbrance, including any bank guarantees thereon;

“PAN” means Permanent Account Number issued by the Income Tax department;

“Record Date” means such date as may be fixed by the Board of Directors of the Resulting Company in consultation with the Board of Directors of Demerged Company for the purpose of determining the shareholders of the Demerged Company to whom Shares of the Resulting Company will be allotted pursuant to this Scheme;

“Registrar of Companies” or “RoC” means the Registrar of Companies at Guwahati, Assam;

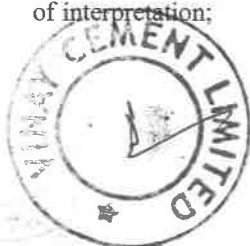
“Remaining Business” means all the undertakings, businesses, activities and operations including assets and Liabilities of the Demerged Company other than the Demerged Undertaking;

“Scheme” or “the Scheme” or “this Scheme” means this Scheme of Arrangement pursuant to Sections 230 to 232 of the 2013 Act and other applicable provisions thereunder, in its present form, with such modifications and amendments as may be made from time to time as per Clause 16 (along with any annexures, schedules, etc., annexed/ attached hereto) submitted to the Hon’ble NCLT or any other Appropriate Authority with any modification(s) thereto as the Board or Hon’ble NCLT or any other Appropriate Authority may require, direct or approve.

“Shares” or “Non-Convertible Redeemable Preference shares” shall mean 11% Non-Convertible Redeemable Preference shares as per Terms annexed as Schedule I to the Scheme, to be allotted to the shareholders of the Demerged Company, as per Clause 10 of this Scheme.

“VCL” or “Demerged Company” means Vinay Cement Limited, an unlisted public company limited by shares, having CIN U26942AS1986PLC002553 and having its registered office at Jamuna Nagar, Umrangshu Dist, North Cachar Hills, Assam 788931.

- 1.2. All terms and words used but not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the 2013 Act, the Income Tax Act and other Applicable Laws, rules, directions, guidelines, regulations, bye-laws, as the case may be or any statutory modification or re-enactment(s) thereof for the time being in force.
- 1.3. In this Scheme, unless the context otherwise requires:
- (a) words denoting singular shall include plural and vice versa;
 - (b) headings and bold typeface are only for convenience and shall be ignored for the purposes of interpretation;



- (c) references to the word “include” or “including” shall be construed without limitation;
- (d) a reference to an article, clause, section or paragraph is, unless indicated to the contrary, a reference to an article, clause, section or paragraph of this Scheme;
- (e) unless otherwise defined, the reference to the word “days” shall mean calendar days;
- (f) references to dates and times shall be construed to be references to Indian dates and times;
- (g) reference to a document includes an amendment or supplement to, or replacement or novation of, that document;
- (h) references to a person include any individual, firm, body corporate (whether incorporated or not), government, state or agency of a state or any joint venture, association, partnership, works council or employee representatives body (whether or not having separate legal personality);
- (i) references to any of the terms taxes, duty, levy, cess in the Scheme shall be construed as reference to all of them whether jointly or severally;
- (j) word(s) and expression(s) elsewhere defined in the Scheme will have the meaning(s) respectively ascribed to them;
- (k) any reference to any statute or statutory provision shall include:
 - i. all subordinate legislations made from time to time under that provision (whether or not amended, modified, re-enacted or consolidated from time to time) and any retrospective amendment; and
 - ii. such provision as from time to time amended, modified, re-enacted or consolidated (whether before or after the filing of this Scheme) to the extent such amendment, modification, re-enactment or consolidation applies or is capable of applying to the matters contemplated under this Scheme and (to the extent liability there under may exist or can arise) shall include any past statutory provision (as amended, modified, re-enacted or consolidated from time to time) which the provision referred to has directly or indirectly replaced.



PART II – SHARE CAPITAL**2. SHARE CAPITAL****2.1. Dalmia Cement (North East) Limited**

The capital structure of Dalmia North East as on 29th February, 2024 is as under:

A. Authorised Share Capital	Amount (INR in Lakhs)
2,43,00,00,000 Equity shares of Rs. 10/- each	2,43,000.00
7,00,00,000 Preference shares of Rs. 10/- each	7,000.00
Total	2,50,000.00
B. Issued, subscribed and paid-up Share Capital	Amount (INR in Lakhs)
1,94,20,11,480 Equity shares of Rs. 10/- each fully paid up	1,94,201.15
Total	1,94,201.15

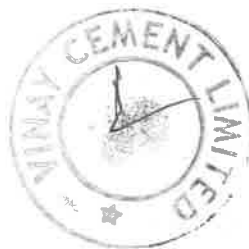
2.2. Vinay Cement Limited

The capital structure of VCL as on 29th February, 2024 is as under:

A. Authorised Share Capital	Amount (INR in Lakhs)
3,00,00,00,000 Equity Shares of Rs. 10/- each	3,000.00
Total	3,000.00
B. Issued, subscribed and fully paid-up Share Capital	Amount (INR in Lakhs)
1,88,99,870 Equity Shares of Rs. 10/- each fully paid	1,889.99
Total	1,889.99

VCL is a subsidiary of Dalmia North East with the latter holding 97.21% equity share capital of VCL.

There has been no change in the authorised, issued, subscribed and paid up share capital of the Companies till 19th March, 2024, the date of the Scheme being approved by the respective Board of Directors of the Companies.



PART III – DEMERGER AND VESTING OF DEMERGED UNDERTAKING FROM DEMERGED COMPANY INTO RESULTING COMPANY

3. TRANSFER AND VESTING OF THE DEMERGED UNDERTAKING

3.1. Upon the Scheme becoming effective, pursuant to the order of the Hon'ble NCLT sanctioning the Scheme and pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the 2013 Act, with effect from the Appointed Date, the Demerged Undertaking together with all its business and operations including all its assets and Liabilities shall be transferred to and vested in and/or be deemed to have been transferred to and vested in Resulting Company, as a going concern on an "as-is-where-is" basis, by way of Demerger in compliance with Section 2(19AA) of the Income Tax Act without any further act, instrument or deed, so as to become, as and from the Appointed Date, the undertaking of the Resulting Company by virtue of and in the manner provided in this Scheme.

3.2. Without prejudice to the generality of the aforesaid, upon the Scheme coming into effect, under the provisions of Sections 230 to 232 and other applicable provisions of the 2013 Act and all other provisions of Applicable Laws, if any, with effect from the Appointed Date, the entire Demerged Undertaking together with all its business and operations including all its income, expenses, assets and Liabilities, shall be transferred by Demerged Company to Resulting Company by way of Demerger as a going concern "on as-is-where-is" basis and in the following manner:

(a) all the estate, assets (including intangible assets in the books), properties, rights, claims, title, interest and authorities including accretions and appurtenances, whether or not provided and/or recorded in the books of accounts, comprised in the Demerged Undertaking of whatsoever nature and where-so-ever situated shall, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, will be and shall stand transferred to and vested in Resulting Company and/or be deemed to be transferred to and vested in Resulting Company as a part of the transfer and vesting of the Demerged Undertaking as a going concern so as to become, as and from the Appointed Date, the estate, assets (including intangible assets), properties, rights, claims, title, interest and authorities including accretions and appurtenances of Resulting Company.

(b) such assets and properties of the Demerged Undertaking as are movable in nature or are incorporeal property or are otherwise capable of transfer by delivery or possession, or by endorsement and/or delivery shall, without any cost or charge and without any notice or other intimation to any third party for transfer of the same, will be and shall stand transferred to and vested in the Resulting Company and/or be deemed to stand transferred to and vested to the Resulting Company as a part of the transfer and vesting of the Demerged Undertaking as a going concern so as to become with effect from the Appointed Date, the assets and properties of Resulting Company. The vesting pursuant to this sub-clause shall be deemed to have occurred by physical or constructive delivery or by endorsement and delivery or by vesting and recorded pursuant to this Scheme, as appropriate to the property being vested and title to the property shall be deemed to have



been transferred accordingly.

- (c) all other movable properties of Demerged Undertaking, inventories, stock-in-trade or stock-in-transit and merchandising including raw materials, supplies, finished goods, wrapping supply and packaging items, sundry debtors, receivables, bills, credits, loans and advances and actionable claims, apart from those specified in Clause 3.2(b) if any, whether recoverable in cash or in kind or for value to be received, bank balances, deposits with any Appropriate Authority or with any company or other person shall without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and shall stand transferred to and vested in Resulting Company and/or deemed to have been transferred to and vested in Resulting Company, by way of delivery of possession of the respective documents, as applicable, as a part of the transfer of the Demerged Undertaking as a going concern, so as to become with effect from the Appointed Date, the assets and properties of Resulting Company.
- (d) Resulting Company may itself or require Demerged Company if it so deems appropriate, give notice in such form as it deems fit and proper, to each such debtor or obligor pertaining to the Demerged Undertaking, that pursuant to the sanction of this Scheme by the Appropriate Authority, such debt, loan, advance, claim, bank balance, deposit or other asset be paid or made good or held on account of the Resulting Company as the person entitled thereto, to the end and intent that the right of the Demerged Company pertaining to the Demerged Undertaking, to recover or realize all such debts stands transferred and assigned to the Resulting Company and that appropriate entries should be passed in the books of accounts of the relevant debtors or obligors to record such change.
- (e) all cheques and other negotiable instruments, payment order, electronic fund transfers (like NEFT, RTGS, etc.) received or presented for encashment which are in the name of Demerged Company (in relation to Demerged Undertaking) after the Effective Date shall be accepted by the bankers of Resulting Company and credited to the account of Resulting Company, if presented by Resulting Company or received through electronic transfers. Similarly, the banker of Resulting Company shall honour all cheques/electronic fund transfer instructions issued by Demerged Company (in relation to Demerged Undertaking) for payment after the Effective Date. If required, the bankers of Demerged Company and Resulting Company shall allow maintaining and operating of the bank accounts (including banking transactions carried out electronically) in the name of Demerged Company by Resulting Company in relation to the Demerged Undertaking for such time as may be determined to be necessary by Resulting Company for presentation and deposition of cheques, pay order and electronic transfers that have been issued/made in the name of Demerged Company.
- (f) all immovable properties pertaining to the Demerged Undertaking and rights and interests in such immovable properties of Demerged Company including any tenancies in relation to warehouses, office space, guest houses and residential premises including those provided to/occupied by the employees of Demerged Undertaking, if any and all documents of title, rights and easements in relation thereto and all plant and machineries constructed on or embedded or attached to any such immovable properties and all rights,



covenants, continuing rights, title and interest in connection with the said immovable properties, shall upon this Scheme becoming effective, stand transferred to and be vested in and be deemed to have been transferred to and vested with effect from the Appointed Date in Resulting Company, without any further act or deed done/executed or being required to be done/executed by Demerged Company or Resulting Company or both. Resulting Company shall be entitled to exercise all rights and privileges attached to the aforesaid immovable properties and shall be liable to pay the ground rent and taxes and fulfil all obligations in relation to or applicable to such immovable properties. The mutation of the ownership or title, or interest in the immovable properties shall, upon the Scheme becoming effective, be made and duly recorded in the name of Resulting Company by the Appropriate Authority pursuant to the sanction of this Scheme by the Hon'ble NCLT in accordance with the terms hereof.

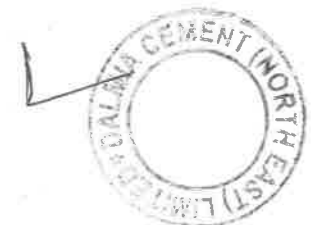
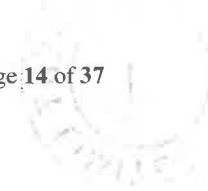
- (g) all approvals, consents, sanctions, exemptions, registrations, guarantees, permissions, no-objection certificates, permits, quotas, rights, mining lease (including prospective mining lease) entitlements, incentives, licenses (including the licenses granted by any Appropriate Authority for the purpose of carrying on its business or in connection therewith), and certificates of every kind and description whatsoever in relation to the Demerged Undertaking, or to the benefit of which the Demerged Undertaking may be eligible/entitled, and which are subsisting or having effect immediately before the Scheme coming into effect, shall by endorsement, delivery or recordal or by operation of law pursuant to the vesting orders of the Hon'ble NCLT sanctioning the Scheme, and on the Scheme becoming effective, be deemed to be approvals, consents, sanctions, exemptions, registrations, guarantees, permissions, no-objection certificates, permits, quotas, rights, entitlements, incentives, licenses (including the licenses granted by any Appropriate Authority for the purpose of carrying on its business or in connection therewith), and certificates of every kind and description of whatsoever nature, of Resulting Company, and shall be in full force and effect in favour of Resulting Company and may be enforced as fully and effectually as if, instead of Demerged Company, Resulting Company had been a party or beneficiary or obligor thereto. Such of the other permits, licenses, consents, sanctions, approvals, authorizations, quotas, rights, entitlements, allotments, concessions, exemptions, rebates, liberties, advantages, no-objection certificates, certifications, easements, tenancies, privileges and similar rights, as are held at present by Demerged Company, but relate to or benefitting at present Remaining Business of the Demerged Company and the Demerged Undertaking, shall be deemed to constitute separate permits, licenses, consents, sanctions, approvals, authorizations, quotas, rights, entitlements, allotments, concessions, exemptions, rebates, liberties, advantages, no-objection certificates, certifications, easements, tenancies, privileges and similar rights, and any waiver of the foregoing, and the necessary substitution/endorsement shall be made and duly recorded in the name of Demerged Company and Resulting Company, respectively, by the relevant authorities pursuant to the sanction of this Scheme by the Hon'ble NCLT. It is hereby clarified that if the consent of any third party or Appropriate Authority is required to give effect to the provisions of this clause, the said third party or Appropriate Authority shall take on record the order(s) of the Hon'ble NCLT sanctioning the Scheme on its file and make and duly record the necessary substitution or endorsement in the name of Resulting Company as successor in interest, pursuant to the sanction of this Scheme by

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the Hon'ble NCLT, and upon the Scheme becoming effective in accordance with the terms hereof. For this purpose, Resulting Company shall file certified copies of order(s) of the Hon'ble NCLT sanctioning this Scheme and if required file appropriate applications, forms or documents with Appropriate Authority concerned for statistical, information and record purposes only, and there shall be no break in the validity and enforceability of approvals, consents, sanctions, exemptions, rebates, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses (including the licenses granted by any Appropriate Authority for the purpose of carrying on its business or in connection therewith), and certificates of every kind and description of whatsoever nature.

- (h) all rent/lease agreements pertaining to the Demerged Undertaking with various landlords, owners and lessors in connection with the use of the assets pertaining to Demerged Undertaking, together with security deposits and advance/prepaid rent, etc., shall stand automatically transferred and vested in favour of Resulting Company on the same terms and conditions without any further act, instrument, deed, matter or thing being made, done or executed. Resulting Company shall continue to pay rent as provided for in such agreements, and Resulting Company and the concerned landlords, owners and lessors shall continue to comply with the terms, conditions and covenants there-under. Without limiting the generality of the foregoing, Resulting Company shall also be entitled to refund of security deposits paid under such agreements by Demerged Company pertaining to Demerged Undertaking.
- (i) all subsidies, privileges, income tax benefits and exemptions, all tax holidays, rebates, indirect tax benefits and exemptions (including benefits, entitlements, incentives, exemptions, subsidies, refunds and concessions under incentive schemes and policies, customs, excise, service tax, VAT, sales tax, goods and services tax, as applicable and entry tax), in connection with or relating to the Demerged Undertaking and all rights and benefits that have accrued or which may accrue pertaining to the Demerged Undertaking, whether on, before or after the Appointed Date, if any, shall, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same be and stand transferred to and vested in and/or be deemed to be transferred to and vested in Resulting Company as a part of the transfer of the Demerged Undertaking as a going concern, so as to become, as and from the Appointed Date, the subsidies, privileges, income tax benefits and exemptions, tax holidays, rebates, indirect tax benefits and exemptions (including benefits, entitlements, incentives, exemptions, subsidies, refunds and concessions under incentive schemes and policies, customs, excise, service tax, VAT, sales tax, goods and services tax, as applicable and entry tax), other rights, benefits and Liabilities related thereto, of Resulting Company and shall remain valid, effective and enforceable on the same terms and conditions. It is further clarified that they shall be deemed to have originally been given by, issued to or executed in favour of Resulting Company, and Resulting Company shall be bound by the terms thereof and the obligations and duties thereunder, and the rights and benefits under the same shall be available to Resulting Company.
- (j) all contracts, deeds, bonds, agreements, insurance policies, schemes, arrangements and other instruments for the purpose of carrying on the business pertaining to the Demerged

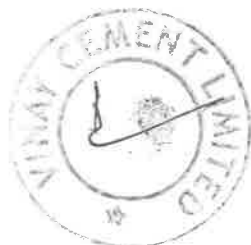


Undertaking and in relation thereto, and those relating to tenancies, privileges, powers, facilities of every kind and description of whatsoever nature in relation to the Demerged Undertaking and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect on, against or in favour of Resulting Company and may be enforced as fully and effectually as if Resulting Company had been a party or beneficiary or obligor thereto. In relation to the same, any procedural requirements required to be fulfilled solely by Demerged Company (and not by any of its successors), shall be fulfilled by Resulting Company as if it is the duly constituted attorney of Demerged Company. It is hereby clarified that if any contract, deeds, bonds, agreements, insurance policies, schemes, arrangements or other instruments of whatsoever nature in relation to the Demerged Undertaking to which Demerged Company is a party to, cannot be transferred to Resulting Company for any reason whatsoever, Demerged Company shall hold such contract, deeds, bonds, agreements, insurance policies, schemes, arrangements or other instruments of whatsoever nature in trust for the benefit of Resulting Company in so far as it is permissible so to do till such time as the transfer is effected; and if any contract, deeds, bonds, agreements, insurance policies, schemes, arrangements or other instruments of whatsoever nature relate to the Demerged Undertaking of Demerged Company as well as Demerged Company (in relation to Remaining Business), Demerged Company and Resulting Company shall both be entitled to all rights and benefits and be liable for all obligations under the said arrangements, each to the extent of its respective undertaking only.

- (k) any inter-se contracts in relation to the Demerged Undertaking and Resulting Company shall stand cancelled and cease to operate upon this Scheme becoming effective.
- (l) all guarantees provided by any bank in relation to the Demerged Undertaking, outstanding as on the Effective Date, shall vest in Resulting Company and shall ensure to the benefit of Resulting Company and all guarantees issued by the bankers in relation to the Demerged Undertaking favouring any third party shall be deemed to have been issued at the request of Resulting Company and continue in favour of such third party till its maturity or earlier termination.
- (m) without prejudice to the generality of the foregoing, bank guarantees, performance guarantees and letters of credit, hire purchase agreements, lending agreements and such other agreements, deeds, documents and arrangements pertaining to the business of the Demerged Undertaking and which are subsisting or having effect immediately before the Effective Date, including all rights and benefits (including benefits of any deposit, advances, receivables or claims) arising or accruing therefrom, shall, with effect from Appointed Date and upon the Scheme becoming effective, by operation of law pursuant to the vesting orders of the Hon'ble NCLT, be deemed to be bank guarantees, performance guarantees and letters of credit, hire purchase agreements, lending agreements and such other agreements, deeds, documents and arrangements of Resulting Company. Such property and rights shall stand vested in Resulting Company and shall be deemed to have become the property of Resulting Company by operation of law, whether the same is implemented by endorsement or delivery and possession or recordal in any other manner.



- (n) all the intellectual property rights of any nature whatsoever, including but not limited to intangible assets, including registrations, licenses, trademarks, logos, service marks, copyrights, industrial designs, patents, domain names, brand names, trade names and applications relating thereto, goodwill, know-how and trade secrets appertaining to the Demerged Undertaking, shall without any further act, instrument or deed, and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred to and vested in Resulting Company as a part of the transfer of the Demerged Undertaking as a going concern, so as to become as and from the Appointed Date, the intellectual property of Resulting Company.
- (o) all taxes (including but not limited to banking cash transaction tax, securities transaction tax, input credit, CENVAT, entry tax, taxes withheld/paid in a foreign country, value added tax, sales tax, service tax or goods and services tax, as applicable, excise duty, cess, wealth tax, fringe benefit tax, etc.) payable by or refundable to or being the entitlement of the Demerged Undertaking, including all or any refunds or claims shall be treated as the tax liability or refunds/credits/claims, as the case may be, of Resulting Company, and any tax incentives, advantages, privileges, exemptions, rebates, credits, tax holidays, remissions, reductions and/or any other benefit, as would have been available to the Demerged Undertaking, shall pursuant to the Scheme becoming effective, be available to Resulting Company. Benefit of all accumulated tax losses including brought forward business loss, unabsorbed depreciation, etc., pertaining to the Demerged Undertaking as on & up to the Appointed Date, shall be available to Resulting Company in terms of Section 72A of Income Tax Act. It is expressly clarified that all the accumulated losses and unabsorbed depreciation as are transferred, shall be eligible to be carried forward and set off in the hands of the Resulting Company.
- (p) Resulting Company shall be entitled to claim refunds or credits, including input tax credits, with respect to taxes paid by, for, or on behalf of, the Demerged Undertaking under Applicable Laws, including but not limited to sales tax, goods and services tax, as applicable, value added tax, service tax, excise duty, cess or any other tax, whether or not arising due to any inter se transaction, even if the prescribed time limits for claiming such refunds or credits have lapsed. For the avoidance of doubt, input tax credits already availed of or utilized by the Demerged Undertaking and Resulting Company in respect of inter se transactions, if any shall not be adversely impacted by the cancellation of inter se transactions pursuant to this Scheme.
- (q) all statutory rights and obligations pertaining to Demerged Undertaking would vest in/accrue to Resulting Company. Hence, obligation pertaining to Demerged Undertaking, prior to the Effective Date, to issue or receive any statutory declaration or in any other forms by whatever name called, under the State VAT Acts or the Central Sales Tax Act or the Central Goods & Services Tax Act or the State Goods & Services Tax Acts or any other Act for the time being in force, would be deemed to have been fulfilled if they are issued or received by Demerged Company and if any form relating to the period prior to the said Effective Date is received in the name of Demerged Company, it would be deemed to have been received by Resulting Company in fulfilment of their obligations.



- (r) benefits of any and all corporate approvals as may have already been taken pertaining to the Demerged Undertaking, whether being in the nature of compliances or otherwise, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred and vested in Resulting Company as a part of the transfer of the Demerged Undertaking as a going concern, and the said corporate approvals and compliances shall be deemed to have originally been taken / complied with by Resulting Company.
- (s) all necessary records, files, papers, technical and process information, all product and service pricing, costing, commercial and business related information, computer program, drawings and designs, procedure and other manuals, training materials, prospect lists, data, catalogues, quotations, sales and advertising materials, financing and serving related forms, lists and all details of present and former customers and suppliers, customer credit information, customer pricing information and other records whether in physical or electronic form in connection with or relating to the Demerged Undertaking shall be transferred to the Resulting Company;

3.3. Without prejudice to the generality of Clause 3.1 above:

- (a) Upon the coming into effect of this Scheme and with effect from the Appointed Date, all debts and Liabilities of the Demerged Company, whether or not provided in the books of the Demerged Company, pertaining to Demerged Undertaking shall, pursuant to the applicable provisions of the 2013 Act and the provisions of this Scheme and, without any further act or deed, become the debts and Liabilities of the Resulting Company, and the Resulting Company shall, and undertakes to meet, discharge and satisfy the same in terms of their respective terms and conditions, if any. The amount of general or multipurpose borrowings, if any, of the Demerged Company will be apportioned on the basis of the proportion of the value of the assets transferred in Demerger of Demerged Undertaking to the total value of the assets of the Demerged Company immediately before the Demerger.
- (b) any Liabilities of the Demerged Undertaking as on the Appointed Date, deemed to be transferred to the Resulting Company, that are discharged by Demerged Company on or after the Appointed Date but prior to the Effective Date, shall be deemed to have been discharged for and on account of Resulting Company.
- (c) all loans raised and utilized, other Liabilities, duties and taxes and obligations incurred or undertaken by Demerged Company pertaining to the Demerged Undertaking on or after the Appointed Date but prior to the Effective Date shall be deemed to have been raised, used, incurred or undertaken for and on behalf of Resulting Company and shall, under the provisions of Sections 230 to 232 and other applicable provisions of the 2013 Act and all other provisions of Applicable Laws, if any, without any further act, instrument, deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same be and stand transferred to and vested in and/or be deemed to have been transferred to and vested in Resulting Company as a part of the transfer of the Demerged Undertaking as a going concern and the same shall be assumed by Resulting Company and to the extent they are outstanding on the Effective Date, Resulting Company shall meet,



discharge and satisfy the same.

- (d) the Liabilities, inter se between Demerged Company and Resulting Company, if any, due or which may at any time in the future immediately before Effective Date, become due in relation to the Demerged Undertaking, shall stand discharged/cancelled/ deemed to be discharged by such cancellation and there shall be no liability in that behalf on either company and corresponding effect shall be given in the books of account and records of Resulting Company.

It is hereby clarified that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, Liabilities, duties and obligations have arisen in order to give effect to the provisions of this clause.

- (e) The Demerger and the transfer and vesting of the assets shall be subject to the Encumbrance, if any affecting the same as hereinafter provided:
- (i) The Encumbrance or those, if any, in terms of this Scheme, over the assets comprised in Demerged Undertaking, or any part thereof transferred to the Resulting Company, shall after the Effective Date continue to relate and attach to such assets or any part thereof to which they are related or attached to, prior to the Effective Date and such Encumbrance shall not relate to or attach to any of the other assets of Resulting Company.
- (ii) In so far as any Encumbrance over the assets comprised in the Demerged Undertaking, are security for Liabilities of the Remaining Business of Demerged Company, the same shall, on the Effective Date, without any further act, instrument or deed be modified to the extent that all such assets of the Demerged Undertaking, shall stand released and discharged from the obligations and security relating to the same and the Encumbrance shall only extend to and continue to operate against the assets retained with Demerged Company and shall cease to operate against any of the assets transferred to the Resulting Company. The absence of any formal amendment which may be required by a lender or third party shall not affect the operation of the above.
- (iii) In so far as any Encumbrance over the assets comprised in the Remaining Business of Demerged Company are security for the related Liabilities of Demerged Undertaking, the same shall, on the Effective Date, without any further act, instrument or deed be modified to the extent that all such assets shall stand released and discharged from the obligations and security relating to the same and the Encumbrance shall only extend to and continue to operate against the assets transferred to the Resulting Company. The absence of any formal amendment which may be required by a lender or third party shall not affect the operation of the above.
- (iv) Provided that in case any question arises pertaining to the mechanism as set out above, the same shall be decided by mutual agreement between the lenders



pertaining to the Demerged Undertaking, lender of Resulting Company and Demerged Company and Resulting Company, as the case may be.

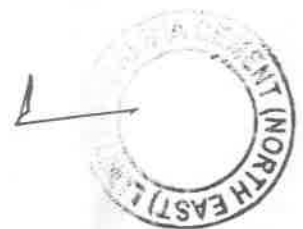
- (f) any reference in any security documents or arrangements (to any party pertaining to the Demerged Undertaking) to the Demerged Company and their assets and properties, shall be construed as a reference to Resulting Company and the assets and properties of the Demerged Undertaking transferred to Resulting Company pursuant to this Scheme.
- (g) Without prejudice to the foregoing provisions, upon the Scheme becoming effective, Resulting Company/ Demerged Company may execute any instruments or documents or do all such acts and deeds as may be considered appropriate, including the filing of necessary particulars and/or modification(s) of charge, with the Registrar of Companies to give formal effect to the above provisions, if required. The Resulting Company shall, under the provisions hereof, be deemed to be authorised to execute any such writings in the name of and on behalf of the Demerged Company in relation to the Demerged Undertaking and to carry out or perform all such formalities or compliances referred to above on the part of Demerged Company inter alia in its capacity as the successor-in-interest of the Demerged Company in relation to the Demerged Undertaking.
- (h) the provisions of this clause shall operate notwithstanding anything to the contrary contained in any instrument, deed, document or writing or the terms of sanction or issue or any security document; all of which instruments, deeds, documents or writings shall stand modified and/or superseded by the foregoing provisions.

3.4. It is clarified that if any assets (claims, rights, title, interest in, or authorities relating to such assets) or Liabilities or any contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in relation to Demerged Undertaking which Demerged Company owns or to which Demerged Company is a party and which cannot be transferred to the Resulting Company for any reason whatsoever, Demerged Company shall hold such assets or contract, deeds, bonds, Liabilities, agreements, schemes, arrangements or other instruments of whatsoever nature in trust for the Resulting Company to which the Demerged Undertaking is being transferred in terms of this Scheme, in so far as it is permissible so to do, till such time as the transfer is effected.

3.5. It is expressly clarified that in case any question that may arise as to whether any particular asset or Liability pertain or do not pertain to the Demerged Undertaking of the Demerged Company, or whether it arises out of the activities or operations of the Demerged Undertaking, the same shall be decided by mutual agreement between Board of Directors of the Demerged Company and that of Resulting Company. It is hereby clarified that the rest of the assets and Liabilities (other than those forming part of the Demerged Undertaking or otherwise specified in this Scheme) of Demerged Company shall continue in Demerged Company.

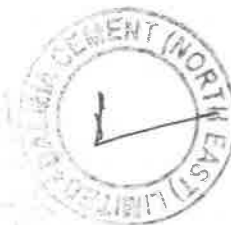
4. EMPLOYEES

4.1. Upon the coming into effect of this Scheme, all employees pertaining to Demerged Undertaking and those employees as the Board of Demerged Company may determine, shall become



employees of Resulting Company (“**Transferred Employees of Demerged Undertaking**”) with effect from the Effective Date, on same terms and conditions which, as a result, shall be no less favourable than those on which they are engaged as on the Effective Date, without any interruption of service as a result of Demerger and without any further act, deed or instrument on the part of Demerged Company or the Resulting Company. With regard to provident fund, gratuity fund, superannuation fund, leave encashment and any other special scheme or benefits created or existing for the benefit of the Transferred Employees of Demerged Undertaking, upon the Scheme becoming effective, shall be continued on the same terms and conditions by Resulting Company and Resulting Company shall stand substituted for all purposes and intents, whatsoever, relating to the administration or operations of such schemes or funds or in relation to the obligation to make contributions to the said funds, in accordance with the provisions of Applicable Laws. It is hereby clarified that upon the Scheme becoming effective, the aforesaid benefits or schemes shall continue to be provided to the Transferred Employees of Demerged Undertaking and the services of all the Transferred Employees of Demerged Undertaking for such purpose shall be treated as having been continuous.

- 4.2. Resulting Company agrees that the services of the Transferred Employees of Demerged Undertaking prior to the transfer, shall be taken into account for the purposes of all benefits to which such employees may be eligible, including in relation to the level of remuneration and contractual and statutory benefits, incentive plans, terminal benefits, gratuity plans, provident plans and other retirement benefits and accordingly, shall be reckoned from the date of their respective appointment in the Demerged Company. Resulting Company undertakes to pay the same, as and when payable under Applicable Laws.
- 4.3. The existing gratuity fund, annuity, staff welfare scheme and any other special scheme or benefits of the Transferred Employees of Demerged Undertaking shall be continued on the same terms and conditions or be transferred to the existing gratuity fund, annuity, staff welfare scheme, etc., being maintained by Resulting Company or as may be created by Resulting Company for such purpose. Pending such transfer, the contributions required to be made in respect of the Transferred Employees of Demerged Undertaking shall continue to be made by Resulting Company to the existing funds maintained by Demerged Company. It is the intent that all the rights, duties, powers and obligations of Demerged Company in relation to such fund or funds shall become those of Resulting Company without need of any fresh approval from any Appropriate Authority.
- 4.4. Upon the Scheme becoming effective, Demerged Company will transfer/handover to Resulting Company, copies of employment information of all such Transferred Employees of Demerged Undertaking, including but not limited to, personnel files (including hiring documents, existing employment contracts, and documents reflecting changes in an employee’s position, compensation, or benefits), payroll records, medical documents (including documents relating to past or ongoing leaves of absence, on the job injuries or illness, or fitness for work examinations), disciplinary records, supervisory files relating to its Transferred Employees of Demerged Undertaking and all forms, notifications, orders and contribution/identity cards issued by the concerned authorities relating to benefits transferred pursuant to this sub-clause.
- 4.5. The contributions made under Applicable Laws in connection with the Transferred Employees



of Demerged Undertaking, to the gratuity fund, leave encashment and any other special scheme or benefits created, for the period after the Appointed Date shall be deemed to be contributions made by Resulting Company.

- 4.6. Resulting Company shall continue to abide by any agreement(s)/ settlement(s) entered into in respect to the Transferred Employees of Demerged Undertaking.

5. **LEGAL PROCEEDINGS**

- 5.1. All Legal Proceedings of whatsoever nature (legal, taxation and others, including any suits, appeals, arbitrations, execution proceedings, revisions, writ petitions, if any), whether civil or criminal (including before any statutory or quasi-judicial authority or tribunal) by or against, pertaining to the Demerged Undertaking, shall not abate, be discontinued or be in any way prejudicially affected by reason of the transfer and vesting of the Demerged Undertaking or anything contained in this Scheme.

- 5.2. Upon the coming into effect of this Scheme, all Legal Proceedings whether by or against Demerged Company, pertaining to the Demerged Undertaking, whether pending and/or arising on or before the Appointed Date, or which may be instituted any time thereafter, shall be continued and/or enforced by or against Resulting Company after the Effective Date, to the extent legally permissible, as effectually and in the same manner and to the same extent as if the same had been instituted and/or pending and/or arising by or against Resulting Company. To the extent the Legal Proceedings cannot be taken over by the Resulting Company, the Legal Proceedings shall be pursued by or against the Demerged Company as per the instructions of and entirely at the costs and expenses of the Resulting Company, to the extent legally permissible.

- 5.3. After the Appointed Date, if any Legal Proceedings are initiated against Demerged Company in respect of the matters referred to in the Clause 5.2 above, Demerged Company shall defend the same in accordance with advice and instructions of Resulting Company at the cost of Resulting Company, and Resulting Company shall reimburse and indemnify Demerged Company against all losses, Liabilities and obligations incurred by Demerged Company in respect thereof.

- 5.4. Upon the coming into effect of this Scheme, any Legal Proceedings by or against Demerged Company under any statute, whether or not pending on the Appointed Date, whether or not in respect of any matter arising before the Effective Date and relating to the Remaining Business of Demerged Company (including those relating to any property, right, power, Liabilities, obligation or duties of Demerged Company in respect of the Remaining Business of Demerged Company) shall be continued and enforced by or against Demerged Company. The Resulting Company shall in no event be responsible or liable for or in relation to any such Legal Proceedings by or against Demerged Company.

- 5.5. Resulting Company undertakes to have accepted on behalf of itself, all suits, claims, actions and Legal Proceedings initiated pertaining to the Demerged Undertaking, transferred to its name and to have the same continued, prosecuted and enforced by or against Resulting Company.

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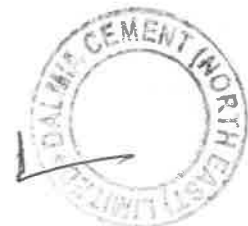


6. TREATMENT OF TAXES

- 6.1. All taxes (including income tax, sales tax, service tax, goods and service tax, etc.) paid or payable by Demerged Company, in respect of the operations and / or the profits of the Demerged Undertaking before the Appointed Date, shall be on account of Demerged Company, and insofar as it relates to the tax payment (including, without limitation, sales tax, income tax, service tax, goods and service tax etc.), whether by way of deduction or collection at source, advance tax or otherwise howsoever, by Demerged Company in respect of the profits or activities or operation of the Demerged Undertaking after the Appointed Date, the same shall be deemed to be the corresponding item paid by the Resulting Company, and shall, in all proceedings, be dealt with accordingly.
- 6.2. Without prejudice to the generality of the foregoing, on and from the Appointed Date, if any certificate for tax deducted or collected at source or any other tax credit certificate relating to the Demerged Undertaking is received in the name of Demerged Company, or tax credit relating to the Demerged Undertaking is appearing in Form 26AS of the Demerged Company, it shall be deemed to have been received by and in the name of the Resulting Company which alone shall be entitled to claim credit for such tax deducted or paid.
- 6.3. Upon the coming into effect of this Scheme, Demerged Company and the Resulting Company are expressly permitted to file/revise their respective tax returns/computation of total income after giving effect to Demerger electronically in terms of Section 170A of Income Tax Act, 1961 and also revise related withholding tax certificates, including withholding tax certificates relating to transactions between Demerged Company and the Resulting Company, to the extent required and to claim refunds, advance tax and withholding tax credits, and benefit of any tax related deductions, or any other tax related compliances or filings of forms.
- 6.4. The goods and services tax paid by Demerged Company in respect of goods and services provided by the Demerged Undertaking for the period commencing from the Appointed Date shall be deemed to be goods and services tax paid by the Resulting Company, and credit for such goods and services tax shall be allowed to the Resulting Company notwithstanding that challans for goods and services tax payments are in the name of Demerged Company and not in the name of the Resulting Company.

7. CONDUCT OF BUSINESS OF DEMERGED UNDERTAKING OF DEMERGED COMPANY TILL EFFECTIVE DATE

- 7.1. Upon the Scheme becoming effective, with effect from the Appointed Date as applicable and up to the Effective Date:
- (a) Demerged Company shall be deemed to have carried on all its business activities pertaining to the Demerged Undertaking and shall be deemed to have held and stood possessed of all the said assets, rights, title, interests, authorities, contracts, investments and decisions, benefits relating to the Demerged Undertaking for and on account of and in trust for Resulting Company;



- (b) all profits and income accruing or arising to Demerged Company in relation to the Demerged Undertaking, and losses and expenditure arising or incurred by Demerged Company in relation to the Demerged Undertaking, for the period commencing from the Appointed Date as applicable, shall, for all purposes be treated as and be deemed to be the profits, income, losses or expenditure, as the case may be, of Resulting Company and upon the Scheme becoming effective, financial results of Resulting Company and Demerged Company & revised tax calculation thereon shall be computed after considering the financial results of Demerged Undertaking during the period between Appointed Date and Effective Date;
- (c) all assets, whether freehold or leasehold, acquired or entitled to use, as the case may be, by Demerged Company after the Appointed Date and prior to the Effective Date for operation of the Demerged Undertaking or pertaining to the Demerged Undertaking shall be deemed to have been acquired in trust for and on behalf of the Resulting Company, and shall also stand transferred to and vested in the Resulting Company upon the coming into effect of this Scheme.
- (d) where any of the Liabilities and obligations of Demerged Company, pertaining to Demerged Undertaking, as on the Appointed Date deemed to be transferred to the Resulting Company have been discharged by Demerged Company after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Resulting Company, and all loans raised and used and all Liabilities and obligations incurred by Demerged Company for the operations of the Demerged Undertaking after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, used or incurred for and on behalf of the Resulting Company, and to the extent they are outstanding on the Effective Date, shall also without any further act or deed be and stand transferred to the Resulting Company and shall become the Liabilities and obligations of the Resulting Company, which shall be liable to meet, discharge and satisfy the same.
- (e) all intra-party transactions of Demerged Company, if any, pertaining to Demerged Undertaking and Remaining Business, as the case may be, shall be considered as inter-party transactions. Tax, if any, on such inter-party transactions shall be payable without any interest and penalty subject to Applicable Laws.
- (f) all taxes, where applicable, (including but not limited to tax deducted at source, banking cash transaction tax, tax collected at source, taxes withheld/paid in a foreign country, customs duty, goods and services tax, as applicable, cess, tax refunds) payable by or refundable to Demerged Company pertaining to the Demerged Undertaking including all or any tax refunds or tax Liabilities or tax claims arising from pending tax proceedings, under Applicable Law, on or before the Effective Date, shall be treated as or deemed to be treated as the tax liability or tax refunds/ tax claims (whether or not recorded in the books of Demerged Company) as the case may be, of Resulting Company, and any unabsorbed tax losses and depreciation as would have been available to Demerged Company shall be available to Resulting Company upon the Scheme becoming effective.



- (g) all the benefits (including deduction, if any) availed or Liabilities accrued under the Income Tax Act to the Demerged Company (in relation to the Demerged Undertaking), for the period commencing from the Appointed Date till Effective Date, shall for all purposes be treated as and deemed to be the benefit availed or Liabilities accrued by Demerged Company on the behalf of and in trust of Resulting Company.
- (h) any of the rights, powers, authorities and privileges attached or related or pertaining to the Demerged Undertaking and exercised by or available to Demerged Company, shall be deemed to have been exercised for and on behalf of and as an agent for Resulting Company. Further, any of the obligations, duties and commitments attached, relating or pertaining to the Demerged Undertaking that have been undertaken or discharged by Demerged Company shall be deemed to have been undertaken or discharged for and on behalf of and as an agent for Resulting Company.

7.2. Subject to the terms of the Scheme, the transfer and vesting of the Demerged Undertaking as per the provisions of the Scheme shall not affect any transactions or proceedings already concluded on or with effect from the Appointed Date as applicable till the Effective Date.

8. TRANSACTIONS UPTO THE EFFECTIVE DATE

8.1. With effect from the Appointed Date and up to and including the Effective Date:

- (a) Resulting company shall record in its books of accounts, all transactions of Demerged Undertaking in respect of assets, liabilities, income and expenses, from Appointed Date to the Effective Date.
- (b) Demerged Company shall not without the prior written consent of the Board of Directors of Resulting Company or pursuant to any pre-existing obligation, sell, transfer or otherwise alienate, charge, mortgage or encumber or otherwise deal with or dispose of the Demerged Undertaking or any part thereof except in the ordinary course of its business.
- (c) Demerged Company shall not vary the terms and conditions of service of its permanent employees relating to the Demerged Undertaking except in the ordinary course of its business or as per past prevailing practices.
- (d) Resulting Company shall be entitled, pending sanction of the Scheme, to apply to the Central Government, State Government, Union Territories and all other concerned agencies, departments and authorities (statutory or otherwise) as are necessary under any law for such consents, approvals and sanctions, which Resulting Company may require to carry on the business of Demerged Undertaking. Further, Demerged Company shall extend all assistance to Resulting Company, if requested by Resulting Company, in obtaining the said consents, approvals and sanctions.
- (e) With effect from Appointed Date until the Effective Date, Demerged Company shall preserve and carry on the business and activities of Demerged Undertaking with reasonable diligence and business prudence.



9. REMAINING BUSINESS OF DEMERGED COMPANY

- 9.1. All the assets, properties, rights, Liabilities and obligations together with the business and operations, pertaining to the Remaining Business of the Demerged Company, shall continue to belong to and remain vested in and be managed by Demerged Company & the Resulting Company shall have no right, claim or obligation in relation to the Remaining Business of the Demerged Company.
- 9.2. All Legal Proceedings of whatsoever nature (legal, taxation and others, including any suits, appeals, arbitrations, execution proceedings, revisions, writ petitions, if any), whether civil or criminal (including before any statutory or quasi-judicial authority or tribunal) by or against, the Demerged Company under any statute, whether pending on the Appointed Date or which may be instituted at any time thereafter, whether or not in respect of any matter arising before the Effective Date and pertaining or relating to the Remaining Business of the Demerged Company (including those relating to any property, right, power, Liabilities, obligation or duty, in respect of the Remaining Business of Demerged Company) shall be continued and enforced solely by or against the Demerged Company.
- 9.3. In so far as the assets of the Remaining Business of the Demerged Company are concerned, the security, pledge, existing charges and mortgages, over such assets, to the extent they relate to any loans or borrowings of the Demerged Undertaking shall without any further act, instrument or deed be released and discharged from such security, pledge, charges or mortgages. The absence of any formal amendment which may be required by a bank and/or financial institutions in order to affect such release shall not affect the operation of this clause.
- 9.4. In so far as the existing security in respect of the loans and other liabilities relating to the Remaining Business of the Demerged Company are concerned, such security shall, without any further act, instrument or deed be continued with the Demerged Company only on the assets which are remaining with the Demerged Company.
- 9.5. With effect from the Appointed Date, as applicable, and upto the Effective Date;
 - (a) Demerged Company shall carry on all business and activities relating to the Remaining Business of Demerged Company for and on its own behalf; and
 - (b) All profits accruing to Demerged Company or losses arising or incurred by it (including the effect of taxes, if any, thereon) relating to the Remaining Business of Demerged Company shall, for all purposes, be treated as the profits or losses, as the case may be, of Demerged Company.

10. CONSIDERATION

- 10.1. Upon this Scheme becoming effective and upon vesting of the Demerged Undertaking of the Demerged Company into the Resulting Company in terms of this Scheme, the Resulting Company shall without any further act, application or deed, issue and allot Shares, credited as fully paid-up, to the extent indicated below, to the shareholders of the Demerged Company



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(except itself), holding fully paid-up equity shares in the Demerged Company and whose names appear in the register of members of the Demerged Company on the Record Date:

1.174 fully paid up Non-Convertible Redeemable Preference Shares of face value of INR 10 each of the Resulting Company shall be issued and allotted for every 1 (one) fully paid up equity shares of face value of INR 10 each held in the Demerged Company ("Share Exchange Ratio").

10.2. In view of the provisions of the Applicable Laws (which does not permit issuance of redeemable preference shares to non-resident shareholders, under automatic route), the Resulting Company shall, subject to the receipt of approval of the Appropriate Authority including the Reserve Bank of India, if and as may be required, and fulfilment of such other conditions including declarations and undertakings as may be required and/or prescribed by the Appropriate Authority under Applicable Laws, issue and allot, Shares as per Share Exchange Ratio, to the non-resident shareholders, in consideration of the Demerger.

10.3. If the requisite approval of the Appropriate Authority as mentioned in Clause 10.2, if and as may be required, is not received on or before the Record Date, the Board of Directors of the Resulting Company, subject to the approval of the Appropriate Authority, if required, shall appoint/constitute a trust ("Trust") to act for and on behalf of non-resident shareholders, in respect of the Shares to be allotted as stated in Clause 10.1, in the manner provided under:

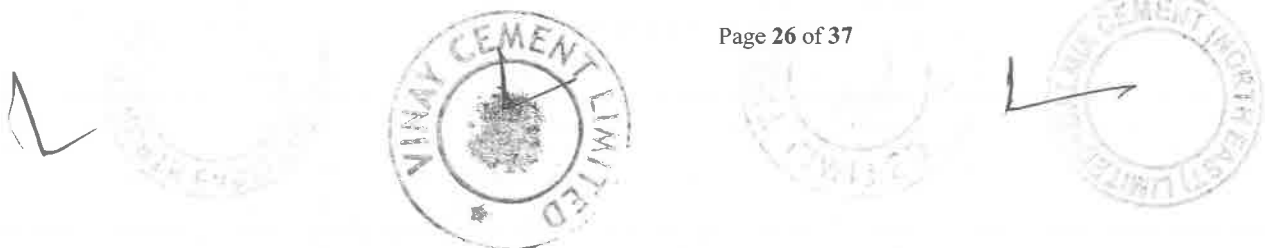
(a) The Resulting Company shall issue and allot the Shares to the Trust and the Trust shall, for and behalf of non-resident shareholders, receive the aforesaid Shares in an on-shore demat account on such terms and conditions as may be acceptable to the Board of Directors of the Resulting Company. Notwithstanding anything contrary contained in any other law, the issuance and allotment of Shares to the Trust for and on behalf of the non-resident shareholders, shall be deemed to be issuance and allotment of the Shares to non-resident shareholders under the provisions of Applicable Law including that under the provisions of Section 2(19AA) of the Income Tax Act, 1961.

(b) Immediately upon the allotment of the Shares, the Trust shall for and on behalf of the non-resident shareholders, offer such Shares for sale to the promoters of the Resulting Company and/ or their affiliates or any other person at the issue price of INR 10/- per share as mentioned in Clause 10.1.

(c) The said sale for and behalf of the non-resident shareholders by the Trust shall be deemed / considered to be a sale by the non-resident shareholders. Upon receipt of the sale proceeds of the Shares pursuant to Clause 10.2(b) above, the Trust shall make all the endeavor to distribute and shall distribute such proceeds (net of expenses) to the non-resident shareholders of the Demerged Company, whose name was recorded as on the Record Date, subject to receipt of necessary information required for remittance, after deducting or withholding taxes or duties as may be applicable, in proportion to their entitlements.

10.4. The Shares shall be issued on such terms and conditions as more particularly set out in Schedule I.

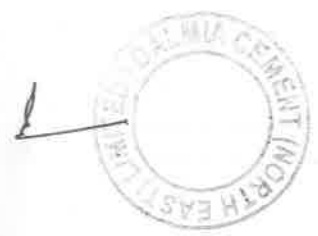
10.5. The Share Exchange Ratio mentioned above has been arrived at based on valuation report dated



19th March 2024 prepared by an Independent IBBI registered valuer, and approved by the Audit cum Governance Committee of Resulting Company, Audit Committee of Demerged Company and Board of Directors of Demerged Company and Resulting Company.

- 10.6. The Shares to be issued and allotted by the Resulting Company to the shareholders of the Demerged Company pursuant to aforementioned Clauses 10.1, 10.2 and 10.3 shall be issued in dematerialized form. All the shareholders who hold equity shares of the Demerged Company in physical form shall also have the option to receive the Shares, as the case may be, in dematerialized form provided the details of their account with the depository participant are intimated in writing to the Demerged Company and/or its registrar and transfer agent on or before the Record Date. The shareholders who fail to provide such details shall be issued Shares in physical form. Notwithstanding the above, if as per Applicable Laws, the Resulting Company is not permitted to issue and allot the Shares in physical form and it has still not received the dematerialized account details of such shareholders of the Demerged Company, the Resulting Company shall issue and allot such Shares into a Suspense escrow dematerialized account, which shall be operated by one of the directors or any such employee of the Resulting Company duly authorized by the Board in this regard, who shall upon receipt of appropriate evidence from such shareholders regarding their entitlements, transfer from such Suspense escrow dematerialized account into the individual dematerialized account of such claimant shareholders, such number of shares as they may be entitled in terms of this Scheme.
- 10.7. The Shares to be issued by the Resulting Company to the equity shareholders of the Demerged Company shall be subject to the Scheme and the Memorandum and Articles of Association of the Resulting Company.
- 10.8. Shares to be issued by the Resulting Company pursuant to this Scheme in respect of any equity shares of Demerged Company which are held in abeyance under the 2013 Act or otherwise shall, pending allotment or settlement of dispute by order of a court or otherwise, also be kept in abeyance by the Resulting Company. In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of Demerged Company, the Board of Directors of Demerged Company (or any successor thereof) shall be empowered to take such actions as may be necessary in order to remove any difficulties arising with the transfer of the share in Demerged Company and in relation to the Shares issued by the Resulting Company pursuant to the Scheme.
- 10.9. On the approval of this Scheme by the equity shareholders of the Resulting Company pursuant to Sections 230 to 232 of the Companies Act, 2013 it shall be deemed that equity shareholders of the Resulting Company have also accorded their consent under sections 23, 42, 55 and 62 of the 2013 Act and/or other provisions of the Act and rules made thereunder as may be applicable for the aforesaid issuance of Shares of the Resulting Company, as the case may be, to the shareholders of the Demerged Company, and all actions taken in accordance with this Clause of this Scheme shall be deemed to be in full compliance of the provisions of Sections 23, 42, 55 and 62 of the 2013 Act and/or other applicable provisions of the 2013 Act and rules made thereunder for the issue and allotment of Shares by the Resulting Company to the shareholders of the Demerged Company, as provided for in this Scheme.
- 10.10. The Board of Directors of Resulting Company and Demerged Company shall, if and to the extent

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required, apply for and obtain any approvals from any Appropriate Authority for the issue and allotment of the Shares pursuant to this Scheme.

10.11. In the event that Demerged Company or Resulting Company restructure their share capital by way of share split / consolidation / issue of bonus shares during the pendency of the Scheme, the Share Exchange Ratio, as maybe required, shall be adjusted accordingly to take into account the effect of any such corporate actions.

10.12. No fractional Shares shall be issued by the Resulting Company. In case any shareholder's shareholding in Demerged Company is such that such shareholder becomes entitled to a fraction of a Share of Resulting Company, the Resulting Company shall not issue fractional shares. In such cases, any fraction shall be rounded off to the next higher integer.

11. ACCOUNTING TREATMENT IN THE BOOKS OF THE RESULTING COMPANY AND DEMERGED COMPANY

11.1. In the books of the Demerged Company:

Upon the scheme coming into effect, the Demerged Company shall account for the Demerger in its books of accounts as per the applicable Indian accounting standards specified under Section 133 of the Companies Act, 2013 ('2013 Act') read with Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other generally accepted accounting principles in India, as under:

- (a) the Demerged Company, shall reduce the carrying value of assets and liabilities pertaining to the Demerged Undertaking, as identified by the Board of the Demerged Company, transferred to the Resulting Company, at their respective book values as appearing in the financial statements of the Demerged Company.
- (b) The Net Assets (carrying value of assets as reduced by carrying value of liabilities) pertaining to the Demerged Undertaking as per a) above, will be adjusted against the Retained Earnings (Other equity) in the books of the Demerged Company.

11.2. In the books of Resulting Company

Upon the effectiveness of this scheme, the Resulting Company shall account for the Demerged Undertaking in its books of accounts in accordance with accounting prescribed under "pooling of interest" method as laid down in Appendix C of the Indian Accounting Standard 103 (Ind AS 103) (Business Combination of entities under common control) notified under section 133 of the Act, the Companies (Indian Accounting Standard) Rules, 2015, as under:

- (a) The Resulting Company shall record the assets and liabilities of the Demerged Undertaking vested in it pursuant to this Scheme, at their book values as appearing in the Demerged Company financial statements which is similar in the consolidated financial statements of the Resulting Company.



- (b) To the extent that there are inter-company loans, advances, deposits, or other obligations as between Demerged Undertaking and Resulting Company, the obligation in respect thereof will come to an end and corresponding effect shall be given in the books of account and records of Resulting Company for the reduction of any assets or Liabilities as the case may be and there would be no accrual of interest or any other charges in respect of such inter-company loans, advances, deposits or balances.
- (c) Resulting Company shall record issuance of Non-convertible Redeemable Preference shares at fair value to the shareholders of the Demerged Company except the shares held by the Resulting Company. The carrying amount of investment held by the Resulting Company in the Demerged Company shall be reduced by the value determined for the Demerged Undertaking which is determined basis the relative fair values of the Demerged undertaking and Remaining business in the Demerged Company.
- (d) The surplus, if any arising after taking the effect of clauses (a), (b) and (c) shall be transferred to "Capital Reserve Account" in the financial statements of the Resulting Company and shall be presented separately from other reserves with disclosure of its nature and purpose in its notes. If the difference is a deficit, the same shall be adjusted from the capital / revenue reserves of the Resulting company, in that order, and balance unadjusted if any, shall be disclosed separately as Amalgamation Adjustment Reserve under 'Other Equity'.
- (e) The comparative financial information in respect of prior periods presented in the financial statements of the Resulting Company shall be restated for the accounting impact of arrangement as stated above, as if the arrangement had occurred from the beginning of such comparative period presented in the financial statements, irrespective of the date of business combination.
- (f) In case of any differences in accounting policies between Demerged Company and Resulting Company, the accounting policies of the Resulting Company will prevail and the impact of the same will be quantified and appropriately adjusted against the retained earnings of the Resulting Company, so as to ensure that the financial statements of Resulting Company reflect the financial position on the basis of consistent accounting policies.

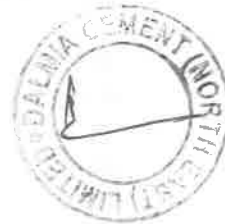
12. COMPLIANCE WITH SECTION 2(19AA) OF THE INCOME TAX ACT

The provision of this Scheme as they relate to the Demerger complies with the conditions relating to "demerger" as defined and specified under Section 2(19AA) of the Income Tax Act. If any terms or provisions or part of this Scheme are found or interpreted to be inconsistent with the provisions of Section 2(19AA) of the Income Tax Act, at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of Section 2(19AA) of the Income Tax Act shall prevail and the Scheme shall stand modified to the extent necessary to comply with Section 2(19AA) of the Income Tax Act and such modifications shall not affect other parts of the Scheme.

13. MODUS OPERANDI AND DATE OF EFFECTIVENESS OF THE SCHEME



- 13.1. The Scheme shall come into effect from Effective Date.
- 13.2. The Scheme shall come into operation from the Appointed Date but shall become effective as on the Effective Date.
- 13.3. Any other matter not dealt within Clause 11 hereinabove shall be dealt with in accordance with the Indian accounting standards and other generally accepted accounting principles in India, as the Board of Directors of the Demerged Company and Resulting Company decides.



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PART IV- GENERAL TERMS & CONDITIONS

14. APPLICATIONS/PETITIONS TO THE NATIONAL COMPANY LAW TRIBUNAL AND APPROVALS

14.1. The Demerged Company and Resulting Company shall, with all reasonable dispatch, make necessary applications/petitions pursuant to Sections 230 and 232 and other applicable provisions of the 2013 Act to the Hon'ble NCLT for sanction and carrying out of the Scheme. The Companies shall also seek such other approvals and orders as may be necessary in law, if any, for bringing the Scheme into effect and be entitled to take such other steps and proceedings as may be necessary or expedient to give full and formal effect to the provisions of this Scheme.

14.2. It is clarified that the Companies shall be entitled, pending the sanction of the Scheme, to apply to any Appropriate Authority, if required, under any law for such consents and approvals which may be required.

15. DECLARATION OF DIVIDEND, BONUS AND OTHERS

15.1. During the pendency of the Scheme, the Companies, subject to Clause 15.4 and Clause 15.5 hereinafter, shall be entitled to declare and pay dividend, whether interim or final, to their respective shareholders in respect of the accounting period prior to the Effective Date.

15.2. The shareholders of the Companies shall, save as expressly provided otherwise in this Scheme, continue to enjoy their existing rights under their respective Articles of Association including the right to receive dividends.

15.3. For avoidance of doubt it is hereby clarified that nothing in this Scheme shall prevent Companies involved in the Scheme from issuing fully paid up bonus equity shares to its shareholders in accordance with Applicable Laws.

15.4. Demerged Company shall not utilise the profits or income, if any, relating to the Demerged Undertaking for any purpose, which is not in the ordinary course of their business, in respect of the period falling on and after the date of approval of this Scheme by the Board of Directors, without the prior written consent of the Board of Directors of Resulting Company.

15.5. It is clarified that the aforesaid provisions in respect of declaration of dividend, whether interim or final, or issuance of fully paid bonus equity shares, are enabling provisions only and shall not be deemed to confer any right on the shareholders of the Companies to demand or claim any dividend/bonus shares which, subject to the provisions of the 2013 Act, as applicable, shall be entirely at the discretion of the Board of Directors of respective Companies, subject to such approval of the shareholders, as may be required.

16. MODIFICATIONS OR AMENDMENTS TO THE SCHEME

16.1. All Companies which are parties to this Scheme, by their respective Board of Directors or their duly authorised representatives, may assent to any modifications / amendments to the Scheme or



to any conditions or limitations that the Hon'ble NCLT and / or any other authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them (i.e. the Board of Directors or their duly authorised representatives) and/or effect any other modification or amendment under Applicable Laws jointly and mutually agreed in writing by the Board of Directors or their duly authorised representatives. All Companies which are parties to this Scheme by their respective Board of Directors or their duly authorised representatives be and are hereby authorized to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whether by reason of any directive or orders of any other authorities or otherwise howsoever arising out of or under or by virtue of the Scheme and / or in any matter concerned or connected therewith.

16.2. All Companies which are parties to this Scheme, by their respective Board of Directors or their duly authorised representatives be and are hereby authorized to give such directions (acting jointly) as they may consider necessary to settle any question or difficulty arising under the Scheme or in regard to and of the meaning or interpretation of this Scheme or implementation hereof or in any matter whatsoever connected therewith, or to review the position relating to the satisfaction of various conditions of this Scheme and if necessary, to exclude any of those (to the extent permissible under law).

16.3. Demerged Company and Resulting Company (by their respective Board of Directors and their duly authorised representatives), in their full and absolute discretion, jointly and as mutually agreed in writing, may modify or vary this Scheme prior to the Effective Date, as considered appropriate or necessary, in any manner at any time and thereafter subject to the approval of the Hon'ble NCLT.

17. WITHDRAWAL FROM THE SCHEME

17.1. Parties to the Scheme, acting through their respective Board of Directors or their duly authorised representatives, shall each be at liberty to withdraw from this Scheme prior to Effective Date, in case any condition or alteration imposed by any authority/person or otherwise is unacceptable to any of them or for the reasons duly approved by Board of Directors of the Companies.

18. ADMINISTRATIVE CONVENIENCE

18.1. Notwithstanding anything contained in other clauses of this Scheme, Demerged Company and Resulting Company, shall enter into such documents, agreements, make applications to various authorities, regulatory bodies to facilitate the uninterrupted transitions of the cement and mining business operation from Demerged Company to Resulting Company.

18.2. Notwithstanding anything contained in other clauses of this Scheme but in accordance with the Act and other Applicable Law, Demerged Company and Resulting Company, may enter into such documents, agreements, arrangements and make applications to various authorities, regulatory bodies to facilitate the sharing of, inter alia any common services, employees, intellectual properties and other assets (whether moveable or immoveable)



19. SAVING OF CONCLUDED TRANSACTIONS

The transfer and vesting of the Demerged Undertaking as per Scheme and the continuance of proceedings by or against Demerged Company in relation to the Demerged Undertaking shall not affect any transaction or proceedings already concluded by the Demerged Company on or before the Appointed Date or after the Appointed Date till the Effective Date, to the extent that Resulting Company accepts and adopts all acts, deeds and things done and executed by Demerged Company in respect thereto as acts, deeds and things done and executed on behalf of Resulting Company itself.

20. CONDITIONALITY OF THE SCHEME

This Scheme shall become effective only if the following conditions are either all satisfied or (to the extent permissible under Applicable Laws) any of conditions waived by the Board of Directors of the Companies:

- 20.1. The Scheme being approved by the requisite majority (in number and value) of the various classes of shareholders and/or creditors, as may be applicable, as required under the 2013 Act, of Demerged Company and Resulting Company or receipt of order of the Hon'ble NCLT providing dispensation from convening meeting of shareholders and/or creditors and/or other classes of persons, as the case may be.
- 20.2. The sanction of the Scheme by the Hon'ble NCLT under Sections 230 to 232 and other applicable provisions of the 2013 Act
- 20.3. Approval of any Governmental Authority, as may be required, for transfer of mining lease and/or any other lease(s), if any, and/or prospective lease(s) to Resulting Company and all other approvals as required in the lease agreements entered into by the Demerged Company.
- 20.4. Certified copies of the order(s) of the Hon'ble NCLT sanctioning the Scheme being filed with the Registrar of Companies by the Companies.

21. EFFECT OF NON RECEIPT OF APPROVALS

In the event any of the said sanctions and approvals referred to in the preceding Clause 20 not being obtained or waived, as may be applicable and/or the Scheme not being sanctioned by the Hon'ble NCLT or any other Appropriate Authority and/or the order or orders not being passed or sanctions not being granted by Hon'ble NCLT as aforesaid by 30th September, 2025 or by such later date as may be agreed by the respective Boards of Directors of the Companies, this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/or Liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law.

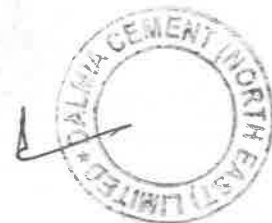


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22. WHEN THE SCHEME COMES INTO OPERATION

The Scheme shall come into operation from the Appointed Date but the same shall become effective on and from the Effective Date but shall be subject to the conditions set out in Clause 2020.

- 22.1. The Demerged Company and the Resulting Company shall be entitled to, amongst others, file/ or revise their respective financial statements, Income tax returns/ computation of income after giving effect of Demerger as applicable in terms of Section 170A of Income Tax Act, 1961, TDS/TCS returns, service tax, goods and service tax, excise duty, sales tax, value added tax, entry tax, cess, professional tax or any other statutory returns, if required, credit for advance tax paid, self-assessment tax paid, tax deducted at source, tax collected at source, claim for sum prescribed under Section 43B of the Income Tax Act on payment basis, claim for deduction of provisions written back by Resulting Company previously disallowed in the hands of Demerged Company pertaining to Demerged Undertaking under the Income Tax Act, credit of foreign taxes paid/ withheld, if any, pertaining to Demerged Company, as may be required consequent to implementation of this Scheme and where necessary to give effect to this Scheme, even if the prescribed time limits for filing or revising such returns have lapsed without incurring any liability on account of interest, penalty or any other sum. Resulting Company shall have the right to claim refunds, tax credits, set-offs and/or adjustments relating to the income or transactions entered into by Demerged Company, pertaining to Demerged Undertaking, by virtue of this Scheme with effect from Appointed Date. The taxes or duties paid by, deduction and benefits claimed by, for, or on behalf of, Demerged Undertaking relating to the period on or after Appointed Date, shall be deemed to be the taxes or duties paid by and deduction and benefit claimed by the Resulting Company and it shall be entitled to claim credit or refund for such taxes or duties and deduction and benefit as available to the Demerged Company.
- 22.2. Any advance tax, self-assessment tax, minimum alternate tax and/or TDS credit/ TCS credit available or vested with Demerged Undertaking, including any taxes paid and taxes deducted at source and deposited by Demerged Company pertaining to Demerged Undertaking on inter se transactions during the period between Appointed Date and the Effective Date, shall be treated as tax paid by Resulting Company and shall be available to Resulting Company for set-off against its liability under the Income Tax Act and any excess tax so paid shall be eligible for refund together with interest. Further, TDS deposited, TDS certificates issued or TDS returns filed by Demerged Company pertaining to the Demerged Undertaking on transactions other than inter se transactions during the period between Appointed Date and the Effective Date, as applicable, shall continue to hold good as if such TDS amounts were deposited, TDS certificates were issued and TDS returns were filed by Resulting Company. Any TDS deducted/deposited by, or on behalf, of Demerged Company pertaining to Demerged Undertaking on inter se transactions will be treated as tax deducted/ deposited by, or on behalf of Resulting Company.
- 22.3. Transfer and vesting of Demerged Undertaking on a going concern basis, in terms of the Scheme, is not a sale in the course of business.
- 22.4. Upon the Scheme becoming effective, the Resulting Company shall carry on and shall be authorised to carry on the business of the Demerged Undertaking. For the purpose of giving effect



to the Hon'ble NCLT Sanction Order, the Resulting Company shall at any time pursuant to such orders be entitled to get the recordal of the changes in legal right(s) upon the Demerger of the Demerged Undertaking in accordance with the provisions of Sections 230-232 and other applicable provisions of the Act. The Resulting Company is and shall always be deemed to have been authorised to execute any pleadings, applications, forms, etc. as may be required to remove any difficulties and carry out any formalities or compliance as are necessary for the implementation of the Scheme.

23. SEVERABILITY

- 23.1. If any provision or part of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of the Board of Directors of the Companies which are parties to this Scheme, affect the validity or implementation of the other provisions and parts of this Scheme.
- 23.2. In the event of any inconsistency between any of the terms and conditions of any earlier arrangement amongst the Companies which are parties to this Scheme and their respective shareholders and/or creditors, and the terms and conditions of this Scheme, the latter shall have overriding effect and shall prevail.

24. COSTS, CHARGES, EXPENSES AND STAMP DUTY

- 24.1. In the event of the Scheme not being sanctioned by the Hon'ble NCLT, the Scheme shall become null and void and each party shall bear and pay its respective costs, charges and expenses for and/or in connection with the Scheme.
- 24.2. Subject to Clause 24.1 above, all costs, charges, taxes including duties, levies and all other expenses, if any arising out of, or incurred in carrying out and implementing this Scheme and matters incidental thereto, shall be borne by the Companies, as may be mutually agreed.



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SCHEDULE I

Terms And Conditions For Issue Of Preference Shares

Sl. No.	Particulars	Terms
1.	Face Value	Rs. 10 (Rupees Ten) per share
2.	Dividend	11% (Eleven per cent) p.a., payable annually, subject to deduction of taxes at source if applicable
3.	Nature of Dividend	Non-cumulative and non-participating
4.	Convertibility	Non-convertible
5.	Voting Rights	Non-voting except in accordance with Sec 47 of the Companies Act, 2013
6.	Tenure	10 (Ten) years from the date of allotment
7.	Redemption	At par
8.	Redemption Option	Dalmia North East shall also have an option to redeem the Preference Shares at any time within 10 years from the date of allotment of Preference Shares, at par
9.	Listing	The Preference Shares will not be listed on any stock exchange(s).



SCHEDULE II**List of Assets and Liabilities transferred pursuant to Demerger**

Particulars	₹ in lakhs
ASSETS	
Property, plant and equipment	2.17
Right-of-use-asset	115.05
Loans to employees (Non-current)	1.18
Fixed Deposits(Having maturity of more than 12 Months)	178.19
Security Deposit	1.25
Interest receivable (Non-current)	15.74
Income tax assets	32.30
Inventories	24.71
Loans to employees (current)	1.49
Trade receivables	448.47
Cash & cash equivalents	44.26
Fixed Deposits(Having maturity of 3-12 Months)	969.00
Interest receivable (Current)	9.22
Advances with suppliers	23.55
Prepayments	6.63
Deposit and balances with Government departments and other authorities	8.68
Assets Held for Sale	4.89
Total Assets	1,886.78
LIABILITIES	
Provisions (Non-Current)	85.87
Trade Payables	41.94
Security deposits received	253.48
Employee accrued liability	5.06
Interest payable	47.83
Advance from customer	29.95
Statutory dues payable	316.30
Provisions (Current)	0.64
Current tax Liabilities	771.61
Total Liabilities	1,552.68



